

## **IC 27-11-3**

### **Chapter 3. Membership**

#### **IC 27-11-3-1**

##### **Eligibility standards; admission process; rights and privileges of members; social members**

Sec. 1. (a) A society shall specify in its laws or rules:

- (1) eligibility standards for each and every class of membership, provided that if benefits are provided on the lives of children, the minimum age for adult membership shall be set at not less than age fifteen (15) and not greater than age twenty-one (21);
- (2) the process for admission to each membership class; and
- (3) the rights and privileges of each membership class, provided that only benefit members shall have the right to vote on the management of the insurance affairs of the society.

(b) A society may also admit social members who have no voice or vote in the management of the insurance affairs of the society.

(c) Membership rights in the society are personal to the member and are not assignable.

*As added by P.L.262-1985, SEC.1.*

#### **IC 27-11-3-2**

##### **Location of principal office; meetings; official publication; synopsis of annual statement; grievance procedures**

Sec. 2. (a) The principal office of any domestic society shall be located in this state. The meetings of its supreme governing body may be held in any state, district, province, or territory where the society has at least one (1) subordinate lodge, or in another location as determined by the supreme governing body, and all business transacted at the meetings shall be as valid in all respects as if the meetings were held in this state. The minutes of the proceedings of the supreme governing body and of the board of directors must be in the English language.

(b) A society may provide in its laws for an official publication in which any notice, report, or statement required by law to be given to members, including notice of election, may be published. Such required reports, notices, and statements shall be printed conspicuously in the publication. If the records of a society show that two (2) or more members have the same mailing address, an official publication mailed to one (1) member is deemed to be mailed to all members at the same address unless a member requests a separate copy.

(c) Not later than June 1 of each year, a synopsis of the society's annual statement providing an explanation of the facts concerning the condition of the society shall be printed and mailed to each benefit member of the society or, instead, the synopsis may be published in the society's official publication.

(d) A society may provide in its laws or rules for grievance or complaint procedures for members.

*As added by P.L.262-1985, SEC.1.*

### **IC 27-11-3-3**

#### **Personal liability of officers and members; indemnification and reimbursement of certain persons; maintenance of insurance on certain persons**

Sec. 3. (a) The officers and members of the supreme governing body or any subordinate body of a society are not personally liable for any benefits provided by a society.

(b) Any person may be indemnified and reimbursed by any society for expenses reasonably incurred by and liabilities imposed upon the person in connection with or arising out of any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, or threat thereof, in which the person may be involved by reason of the fact that the person is or was a director, officer, employee, or agent of the society or of any firm, limited liability company, corporation, or organization that the person served in any capacity at the request of the society. A person shall not be indemnified or reimbursed:

(1) in relation to any matter in such action, suit, or proceeding as to which the person is adjudged to be or has been guilty of breach of a duty as a director, officer, employee, or agent of the society; or

(2) in relation to any matter in an action, suit, proceeding, or threat that has been made the subject of a compromise settlement;

unless in either case the person acted in good faith for a purpose the person reasonably believed to be in or not opposed to the best interests of the society and, in a criminal action or proceeding, had no reasonable cause to believe that this conduct was unlawful.

(c) The determination whether the conduct of such person met the standard required in order to justify indemnification and reimbursement in relation to any matter described in subsection (b)(1) or (b)(2) may only be made by the supreme governing body or board of directors by a majority vote of a quorum consisting of persons who were not parties to the action, suit, or proceeding or by a court of competent jurisdiction. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of no contest does not in itself create a conclusive presumption that the person did not meet the standard of conduct required in order to justify indemnification and reimbursement.

(d) The right of indemnification and reimbursement provided in this section is not exclusive of other rights to which the person may be entitled as a matter of law and shall inure to the benefit of that person's heirs, executors, and administrators.

(e) A society may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the society or who is or was serving at the request of the society as a director, officer, employee, or agent of any other firm, corporation, limited liability company, or organization against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status, whether or not the

society would have the power to indemnify the person against such liability under this section.

*As added by P.L.262-1985, SEC.1. Amended by P.L.8-1993, SEC.435.*

#### **IC 27-11-3-4**

##### **Waiver of provisions of laws of the society**

Sec. 4. The laws of the society may provide that no subordinate body nor any of its subordinate officers or members shall have the power or authority to waive any of the provisions of the laws of the society. The provision shall be binding on the society and every member and beneficiary of a member.

*As added by P.L.262-1985, SEC.1.*